

**IN THE  
COMMONWEALTH OF VIRGINIA  
REAL ESTATE BOARD**

**Re:** Julie Huffmann Hamann  
Dayton, VA 22821

**File Number** 2010-05212  
**License Number** 0225091765

**CONSENT ORDER**

Respondent Julie Huffmann Hamann ("Hamann") recognizes and acknowledges being subject to and bound by the Regulations of the Real Estate Board ("Board"), as well as by all other applicable Virginia laws.

Hamann knowingly and voluntarily waives any proceedings for this matter under the Administrative Process Act, §§ 2.2-4019, 2.2-4020, and 2.2-4021 of the 1950 Code of Virginia, as amended.

**Board's Regulations provides:**

18 VAC 135-20-155. Grounds for disciplinary action.

The board has the power to fine any licensee, and to suspend or revoke any license issued under the provisions of Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, and this chapter where the licensee has been found to have violated or cooperated with others in violating any provision of Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia or any regulation of the board. Any licensee failing to comply with the provisions of Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia or the regulations of the Real Estate Board in performing any acts covered by §§ 54.1-2100 and 54.1-2101 of the Code of Virginia may be charged with improper dealings, regardless of whether those acts are in the licensee's personal capacity or in his capacity as a real estate licensee.

***Historical Notes:***

*Derived from Virginia Register Volume 19, Issue 12, eff. April 1, 2003.*

The Report of Findings, which contains the facts regarding the regulatory and/or statutory issues in this matter, is incorporated with the Consent Order.

By signing this Consent Order, Hamann acknowledges an understanding of the charges and admits to the violation(s) of the Counts as outlined in the Report of Findings. Hamann consents to the following term(s):

Count 1:	18 VAC 135-20-260 10	\$2,000.00
Count 2:	18 VAC 135-20-280 2	\$1,500.00
SUB-TOTAL (MONETARY PENALTIES)		\$3,500.00
BOARD COSTS		\$ 150.00
TOTAL		\$3,650.00

The Board also imposes the following sanctions:

As to Count 1, Hamann agrees she shall provide evidence acceptable to the Board within ninety (90) days of the effective date of this order that she has successfully completed the following classroom hours of Board-approved continuing education:

- Sixteen (16) hours pertaining to Property Management;
- Eight (8) hours pertaining to Real Estate Contracts;
- Eight (8) hours pertaining to Ethics and Standards of Conduct; and
- Eight (8) hours pertaining to Fair Housing.

The above-referenced continuing education hours will not count towards any continuing education requirements, if applicable, for renewal, reinstatement, or activation of a license;

As to Count 2, Hamann agrees she shall have yearly independent audit inspections of the escrow accounts for a period of three (3) years.

Any monetary penalties, costs, and/or sanctions are to be paid/performed within thirty days of the effective date of this consent order unless otherwise specifically noted above. Hamann acknowledges any monetary penalty and/or costs as a debt to the Commonwealth and agrees that in the event of a default, or the return of a check for insufficient funds, Hamann will be responsible for all reasonable administrative costs, collection fees, or attorney's fees incurred in the collection of whatever funds are due.

**Hamann acknowledges that failure to pay any monetary penalty or costs and/or to comply with all terms of this Order within the specified time period, shall result in the automatic suspension of Hamann's license until such time as there is compliance with all terms of this Order. Julie Huffmann Hamann understands the right to have this automatic suspension considered in an informal conference pursuant to the Administrative Process Act §§ 2.2-4019 and 2.2-4021 of the 1950 Code of Virginia, as amended, but knowingly and voluntarily waives any rights to the proceeding and hereby waives any**

**further proceedings under the Administrative Process Act §§ 2.2-4020 and 2.2-4021 of the 1950 Code of Virginia, as amended.**

**The effective date of this Order shall be the date of execution by the Board.**

**SEEN AND AGREED TO:**

The undersigned represents and affirms that he/she has the authority to legally bind Julie Huffmann Hamann, to this Consent Order. The individual, by his/her signature below, acknowledges he/she read the Consent Order, understands it, and agrees that Julie Huffmann Hamann, shall be bound by its terms and conditions.

Julie H. Hamann 3/18/11  
Signature Date

Julie H. Hamann Licensed Sales person  
Printed Name and Title

**SO ORDERED:**

Entered this 21<sup>st</sup> day of March, 2010.11.

Real Estate Board

BY: Gordon N. Dixon  
Gordon N. Dixon, Secretary

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**VIRGINIA DEPARTMENT OF PROFESSIONAL  
AND OCCUPATIONAL REGULATION  
COMPLIANCE & INVESTIGATIONS DIVISION  
9960 MAYLAND DRIVE, SUITE 400  
RICHMOND, VA 23233-1463**

**AMENDED REPORT OF FINDINGS**

**BOARD:** Real Estate Board  
**DATE:** August 19, 2010 (revised 10/6/10 ACC, amended  
12/15/10 - DS)

**FILE NUMBER:** 2010-05212  
**RESPONDENT:** Julie Huffmann Hamann  
**LICENSE NUMBER:** 0225091765  
**EXPIRATION:** April 30, 2011

**SUBMITTED BY** R.A. Brooks, Investigator  
**APPROVED BY:** Amy C. Chappell, Supervisor

**COMMENTS:**

None

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Julie Huffmann Hamann ("Hamann") was at all times material to this matter a licensed real estate salesperson in Virginia (No. 0225091765).

Based on the analysis and/or investigation of this matter, there is probable cause to believe the respondent has committed the following violation(s) of the Code of Virginia and/or Board's regulation(s):

**BACKGROUND:**

On May 24, 2010, the Compliance & Investigations Division of the Department of Professional and Occupational Regulation received an anonymous complaint regarding Rocktown Rentals. (Exh. C-1)

According to the website for Rocktown Rentals, Hamann is listed as an owner. (Exh. C-2)

On April 5, 2005, Hamann was issued a real estate salesperson license. From April 5, 2005, to July 1, 2010, Hamann's salesperson license was under the authority of Old Dominion Realty, Inc. ("Old Dominion"). (Exh. I-1 and I-7)

On March 24, 2010, Hamann formed Rocktown Property Management LLC, t/a Rocktown Rentals ("Rocktown"). Hamann is listed as the Organizer, the register agent, and a member. Rocktown is a member managed LLC. (Exh. I-5 and I-6)

At the time of the complaint, Rocktown was not licensed as a real estate firm. (Exh. I-1)

On July 2, 2010, Rocktown was issued a real estate firm license (No. 0226022428) with Donald W. Harman as principal broker. (Exh. I-7)

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1. Board Regulation

18 VAC 135-20-260. Unworthiness and incompetence.

Actions constituting unworthy and incompetent conduct include:

10. Failing to act as a real estate broker or salesperson in such a manner as to safeguard the interests of the public

***Historical Notes***

*Derived from VR585-01-1 §6.7, eff. July 15, 1987; amended, Virginia Register Volume 5, Issue 23, eff. October 1, 1989; Volume 7, Issue 14, eff. May 15, 1991; Volume 8, Issue 13, eff. May 15, 1992; Volume 11, Issue 18, eff. June 28, 1995; Volume 15, Issue 5, eff. January 1, 1999; Volume 19, Issue 12, eff. April 1, 2003; Errata, 19:14 VA.R. 2176, 2177 March 24, 2003.*

***Print Date: September 1, 2004***

**FACTS:**

Virginia Code Section 54.1-2106.1.A states, in part:

No business entity, other than a sole proprietorship, shall act, offer to act, or advertise to act, as a real estate firm without a real estate firm license from the Board. Such firm may be granted a license in a fictitious name. No business entity shall be granted a firm license unless (i) every member or officer who actively participates in the firm brokerage business holds a license as a real estate broker and (ii) every employee or independent contractor who acts as a salesperson for such business entity holds a license as a real estate salesperson or broker. An individual holding a broker's license may operate a real estate brokerage firm which he owns as a sole proprietorship without any further licensure by the Board, although such individual shall not operate in a fictitious name. A non-broker-owned sole proprietorship shall obtain a license from the Board.

Rocktown was not licensed as a real estate firm until July 2, 2010. (Exh. I-7) Between April 6, 2010, and June 29, 2010, Hamann entered into twelve (12) property management agreements ("PMA") and negotiated fifteen (15) Virginia Residential Lease Agreements ("lease") in the name of Rocktown. (Exh. R-3 through R-29)

In addition, Rocktown offers property management services via their website. (Exh. C-2) Hamann confirmed that she has no ownership in the advertised properties and that she negotiates leases on behalf of the property owners. (Exh. I-2 and I-5)

Virginia Code § 54.1-2100 states, in part:

"Real estate broker" means any person or business entity, including, but not limited to, a partnership, association, corporation or limited liability company, who, for compensation or valuable consideration (i) sells or offers for sale, buys or offers to buy, or negotiates the purchase or sale or exchange of real estate, including units or interest in condominiums, cooperative interest as defined in § 55-426, or time-shares in a time-share program even though they may be deemed to be securities, or (ii) **leases or offers to lease, or rents or offers for rent, any real estate or the improvements thereon for others.** (emphasis added)

Board Regulation 18 VAC 135-20-10 states, in part:

Principal broker means the individual broker who shall be designated by each firm to assure compliance with Chapter 21 (§54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, and this chapter, and to *receive communications and notices from the board which may affect the firm or any licensee active with the firm.* In the case of a sole proprietorship, the licensed broker who is the sole proprietor shall have the responsibilities of the principal broker. **The principal broker shall have responsibility for the activities of the firm and all its licensees.** (emphasis added)

Board Regulation 18 VAC 135-20-180.A.1 states, in part:

If money is to be held in escrow, each firm or sole proprietorship shall maintain in the name by which it is licensed one or more federally insured separate escrow accounts in a federally insured depository in Virginia into which all down payments, earnest money deposits, money received upon final settlement, rental payments, rental security deposits, money advanced by a buyer or seller for the payment of expenses in connection with the closing of real

estate transactions, money advanced by the broker's client or expended on behalf of the client, or other escrow funds received by him or his associates on behalf of his client or any other person shall be deposited unless all principals to the transaction have agreed otherwise in writing. The balance in the escrow accounts shall be sufficient at all times to account for all funds that are designated to be held by the firm or sole proprietorship. **The principal broker shall be held responsible for these accounts.** (emphasis added)

Board Regulation 18 VAC 135-20-180.B.1.c states, in part:

Unless otherwise agreed in writing by all principals to the transaction, **all rents and other money paid to the licensee in connection with the lease shall be placed in an escrow account** by the end of the fifth business banking day following receipt, unless otherwise agreed to in writing by the principals to the transaction, and remain in that account until paid in accordance with the terms of the lease and the property management agreement, as applicable. (emphasis added)

Board Regulation 18 VAC 135-20-180.B.1.b states, in part:

**Any security deposit held by a firm or sole proprietorship shall be placed in an escrow account** by the end of the fifth business banking day following receipt, unless otherwise agreed to in writing by the principals to the transaction. (emphasis added)

The Board's regulations establish qualifications for a broker license, such as additional education and experience.<sup>1</sup>

Board Regulation 18 VAC 135-20-155, states:

The board has the power to fine any licensee, and to suspend or revoke any license issued under the provisions of Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, and this chapter where the licensee has been found to have violated or cooperated with others in violating any provision of Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia or any regulation of the board. Any licensee failing to comply with the provisions of Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia or the regulations of the Real Estate Board in performing any acts covered by §§ 54.1-2100 and 54.1-2101 of the Code of Virginia may be charged with improper dealings, regardless

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<sup>1</sup> See Board Regulation 18 VAC 135-20-40.



of whether those acts are in the licensee's personal capacity or in his capacity as a real estate licensee.

On June 30, 2010, Hamann told Investigator R.A. Brooks ("Investigator Brooks"), the Board's agent, that tenants' rent payments are placed into a regular, non-escrow, checking account. In addition, Hamann told Investigator Brooks that she received pre-paid rents and was unsure whether those funds belonged in escrow, so she Googled this topic and decided to place pre-paid rents in escrow. Hamann stated that she did not consult the Board's regulations because she did not know where to locate them. (Exh. I-5)

Hamann is not licensed as a broker. (Exh. I-1 and I-7) Under the Board's licensing scheme, the principal broker is responsible for the actions of salespersons licensed with the broker's firm and responsible for ensuring escrow monies are handled properly.

From April 6, 2010, to July 1, 2010, Hamann's actions of operating an unlicensed real estate firm and acting as her own principal broker with only a salesperson license is failing to act as a real estate salesperson in such a manner as to safeguard the interests of the public.

## 2. Board Regulation

18 VAC 135-20-280. Improper brokerage commission.

Actions resulting in an improper brokerage commission or fee include:

2. Accepting a commission or other valuable consideration, as a real estate salesperson or associate broker, from any person except the licensee's principal broker at the time of the transaction, for the performance of any of the acts specified in Chapter 21 (§54.1-2100 et seq.) of Title 54.1 of the Code of Virginia or the regulations of the board or related to any real estate transaction, without the consent of that broker. Unless he has notified the broker in writing of the activity or activities to be pursued and obtained the prior written consent of the principal broker, no salesperson or associate broker shall (i) use any information about the property, the transaction or the parties to the transaction, gained as a result of the performance of acts specified in Chapter 21 (§54.1-2100 et seq.) of Title 54.1 of the Code of Virginia or (ii) act as an employee of a company providing real estate settlement services as defined in the Real Estate Settlement Procedures Act (12 USC §2601 et seq.) or pursuant to a

estate                      license issued by the Commonwealth of Virginia to provide real  
   settlement services to clients or customers of the firm;

***Historical Notes***

Derived from VR585-01-1 §6.9, eff. July 15, 1987; amended, Virginia Register Volume 5, Issue 23, eff. October 1, 1989; Volume 7, Issue 14, eff. May 15, 1991; Volume 8, Issue 13, eff. May 15, 1992; Volume 11, Issue 18, eff. June 28, 1995; Volume 15, Issue 5, eff. January 1, 1999; Volume 19, Issue 12, eff. April 1, 2003; Volume 24, Issue 11, eff. April 1, 2008.

**FACTS:**

In addition to the facts outlined above:

Between April 6, 2010, and June 29, 2010, Hamann entered into twelve (12) property management agreements ("PMA") and negotiated fifteen (15) Virginia Residential Lease Agreements ("lease") in the name of Rocktown. (Exh. R-3 through R-29)

Paragraph 2 of each PMA indicates that Rocktown negotiates and executes leases on behalf of the owner. Hamann signed each PMA as agent, on behalf of Rocktown.

Paragraphs 18 and 20 of each PMA defines the fees the owner agrees to pay the agent:

Paragraph 18 (Leasing Fee) states, in part, a fee of \$50.00 when a Tenant has been procured and the Lease Agreement is executed.<sup>2</sup>

Paragraph 20 (Management Fee) states, in part, a management fee of 10% of all gross rentals collected by the Agent. (Exh. R-3 through R-14)<sup>3</sup>

In mid June 2010, Hamann told Michael Pugh ("Pugh"), principal broker for Old Dominion, that she was thinking about starting her own property management company. Pugh told Hamann she could leave her license at Old Dominion until she needed to return it. On June 22, 2010, Pugh received a telephone call from Hamann and learned Hamann was already in business. Pugh stated he did not agree to allow Hamann to operate her own property management firm because it would be a conflict of interest with Old Dominion's property management division. On June 29, 2010, Pugh returned Hamann's license to the Board and

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<sup>2</sup> The leasing fee on the PMA for 245 Ashby Street was listed as \$1.00 (Exh. R-3)

<sup>3</sup> Hamann did not provide the Board's agent with a copy of page three of the PMA with Joseph Troiano for 1342 E. Hunters Road. (Exh. R-8)

**removed Hamann's name from his firm's website. (Exh. I-1 and I-3)**

**Hamann's actions of accepting lease fees directly from the tenant and management fees directly from the owners is a violation of Board Regulation 135-20-280.2.**